

Message Text

LIMITED OFFICIAL USE

PAGE 01 BANGKO 23736 180829Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 DODE-00 PM-05 H-01 L-03 PA-01 /101 W
-----022124 190418Z /14
R 171144Z AUG 78
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 9623

LIMITED OFFICIAL USE BANGKOK 23736

E.O.11652:NA
TAGS: EFIN, TH
SUBJ: SCANT REACTION TO REVALUATION IN US BUSINES
-BANKING COMMUNITY - SOME PRESSURES AMONG THAI FOR FURTHER
REVALUATION

1. THE AMERICAN BUSINESS AND BANKING COMMUNITY IN THAILAND
HAS REACTED RATHER INDIFFERENTLY TO THE AUGUST 5 ONE
PERCENT REVALUATION OF THE BAHT AGAINST THE DOLLAR. ALONG
WITH SOME WELCOME RELIEF THAT IT WASN'T HIGHER
CONSIDERING THE DEPRECIATION OF THE DOLLAR, ELSEWHERE SOME
CONCERN WAS EXPRESSED AS TO WHAT THE REVALUATION PROTENDS
FOR THE FUTURE.

2. FOR THE AMERICAN BANKERS AND COMPANY FINANCE EXECUTIVE
THE COMING PERIOD, WHEN THAILAND WILL ADOPT FLEXIBLE EX-
CHANGE RATE SYSTEM, WILL REQUIRE THE SHARPENING OF OLD
SKILLS. AS ONE BANKER PUT IT, THIS WILL CERTAINLY MAKE
FOR A MUCH MORE INTERESTING BANKING ENVIRONMENT.

3. MOST AGREE THAT THE INSTITUTION OF FLEXIBLE EXCHANGE
RATES WILL CAUSE MORE PROBLEMS FOR THAI FINANCIAL
INSTITUTIONS WHICH LACK PERSONNEL TRAINED TO OPERATE IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BANGKO 23736 180829Z

THE NEW ENVIRONMENT.

4. REACTION TO THE REVALUATION IN THAI BUSINESS AND
ECONOMIC CIRCLES TO THE REVALUATION CONTINUES TO BE POSI-
TIVE. MANY FAIL TO GRASP FACT, HOWEVER, THAT THE BAHTS
APPARENT STRENGTH IS MORE DUE TO INTERNATIONAL RESERVES
HELD BY THE BANK OF THAILAND ALONG WITH THE BANK'S WILLING

NESS, TO DATE, TO SUPPORT THE BAHT AT SPECIFIC
RATES OF EXCHANGE. IN VIEW OF THE CONTINUING DOLLAR
DECLINE THAI "BAHT NATIONALIST" WILL LIKELY INCREASE
PRESSURE ON BANK OF THAILAND FOR A FURTHER REVALUATION.
IF THE BANK ACCEDES TO THESE PRESSURES, THE BAHT WILL BE
IN FOR A TEST, THE OUTCOME OF WHICH MAY PROVE DISILLUSION-
ING FOR MANY. ABRAMOWITZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REVALUATIONS, PUBLIC ATTITUDES, BANKERS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BANGKO23736
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780339-0526
Format: TEL
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780851/aaaabqae.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 08047061-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1702714
Secure: OPEN
Status: NATIVE
Subject: SCANT REACTION TO REVALUATION IN US BUSINES -BANKING COMMUNITY - SOME PRESSURES AMONG THAI FOR FURTHER REVALUATION
TAGS: EFIN, TH
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/08047061-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014